



U.S. Copyright Office

37 CFR Parts 222 and 235

[Docket No. 2023–4]

Copyright Claims Board: Agreement-based Counterclaims

AGENCY: U.S. Copyright Office, Library of Congress.

ACTION: Final rule.

SUMMARY: Pursuant to the Copyright Alternative in Small-Claims Enforcement Act, the U.S. Copyright Office is adopting as final a May 3, 2023, proposed rule governing the filing of agreement-based counterclaims and related discovery requirements in Copyright Claims Board proceedings.

DATES: Effective August 28, 2023.

FOR FURTHER INFORMATION CONTACT: Rhea Efthimiadis, Assistant to the General Counsel, by email at meft@copyright.gov or telephone at (202) 707-8350.

SUPPLEMENTARY INFORMATION:

The Copyright Alternative in Small-Claims Enforcement Act of 2020 (the “CASE Act”)¹ directed the Copyright Office to establish the Copyright Claims Board (the “CCB”), an alternative and voluntary forum for parties seeking to resolve certain copyright-related disputes that have a total monetary value of \$30,000 or less. After receiving and considering comments from the public, the Office published final rules addressing various aspects of CCB proceedings.² On June 16, 2022, the CCB began receiving claims.

¹ Public Law 116–260, sec. 212, 134 Stat. 1182, 2176 (2020).

² 87 FR 20707 (Apr. 8, 2022) (law student representation final rule); 87 FR 12861 (Mar. 8, 2022) (initial proceedings partial final rule); 87 FR 16989 (Mar. 25, 2022) (initial proceedings final rule); 87 FR 24056 (Apr. 22, 2022) (initial proceedings correction); 87 FR 30060 (May 17, 2022) (active proceedings final rule); 87 FR 36060 (June 15, 2022) (active proceedings correction). The Office sought public comments prior to the adoption of these final rules. *See, e.g.*, 86 FR 74394 (Dec. 30, 2021); 86 FR 53897 (Sept. 29, 2021); 86 FR 69890 (Dec. 8, 2021).

On May 3, 2023, the Office published a notice of proposed rulemaking (“NPRM”) seeking public comment on a proposed rule addressing the filing of agreement-based counterclaims and related discovery requirements in the CCB.³ The proposed regulations set out the requirements for the content of such counterclaims and any responses to them.⁴ The Office also proposed standard interrogatories and standard requests for the production of documents for use in connection with such counterclaims.⁵

The Office received one comment that addressed the proposed rulemaking, but did not recommend any changes to the proposed regulatory text.⁶ The Copyright Alliance’s comment stated that “[a]t this time, we have no substantive objections to the Office’s proposal to add regulations specifically governing agreement-based counterclaims,”⁷ but requested “the opportunity to comment further on the rules established in this notice of proposed rulemaking as well as the other regulations governing the CCB once there is more qualitative and quantitative data to consider.”⁸ The Copyright Alliance “reiterate[d] the importance of ensuring that the rules and regulations do not become so cumbersome and complex such that they make the CCB inaccessible to pro se litigants, who comprise a significant portion of the system’s users, and whom the statute was designed to accommodate.”⁹

The Office appreciates these comments and will take them under advisement. Because the Office did not receive any comments recommending changes to the proposed rule, it adopts the rule as final.

³ 88 FR 27845 (May 3, 2023).

⁴ 88 FR 27845, 27846–47.

⁵ 88 FR 27845, 27846–48.

⁶ *See* Copyright Alliance Comments. The Office received a second comment, which addressed songwriter-related royalty claims that are outside of the scope of this rulemaking. *See* Timothy Gilmore Comments at 1.

⁷ Copyright Alliance Comments at 1.

⁸ Copyright Alliance Comments at 1–2.

⁹ Copyright Alliance Comments at 2.

List of Subjects in 37 CFR Parts 222, 225

Claims, Copyright.

Final Regulations

For the reasons stated in the preamble, the U.S. Copyright Office amends 37 CFR parts 222 and 225 as follows:

PART 222—PROCEEDINGS

1. The authority citation for part 222 continues to read as follows:

Authority: 17 U.S.C. 702, 1510.

2. Amend § 222.9 as follows:

- a. Redesignate paragraphs (c)(6) through (8) as paragraphs (c)(7) through (9), respectively.
- b. Add paragraph (c)(6) as follows:

§ 222.9 Counterclaim.

* * * * *

(c) * * *

(6) For a counterclaim arising under an agreement asserted under paragraph (c)(2)(iv) of this section—

- (i) A description of the agreement that the counterclaim is based upon;
- (ii) A brief statement describing how the agreement pertains to the same transaction or occurrence that is the subject of the infringement claim against the counterclaimant; and
- (iii) A brief statement describing how the agreement could affect the relief awarded to the claimant;

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3. Amend § 222.10 as follows:

- a. Redesignate paragraph (b)(6) as paragraph (b)(7).

- b. Add paragraph (b)(6) as follows:

§ 222.10 Response to counterclaim.

* * * * *

(b) * * *

(6) For counterclaims arising under an agreement, as set forth in 37 CFR 222.9(c)(2)(iv), a statement describing in detail the dispute regarding the contractual counterclaim, including any defenses as well as an explanation of why the counterclaim respondent believes the counterclaimant's position regarding the agreement lacks merit; and

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PART 225—DISCOVERY

4. The authority citation for part 225 continues to read as follows:

Authority: 17 U.S.C. 702, 1510.

5. Amend § 225.2 as follows:

- a. Redesignate paragraph (f) as paragraph (h).
b. Add paragraphs (f) and (g) as follows:

§ 225.2 Standard interrogatories.

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(f) *For a counterclaimant asserting a counterclaim arising under an agreement.* In addition to the information in paragraph (a) of this section, the *standard interrogatories* for a counterclaimant asserting a counterclaim arising under an agreement shall consist of information pertaining to:

- (1) Identification and a description of the specific terms or provisions of the agreement the counterclaim respondent is alleged to have violated;
(2) The basis for the counterclaimant's belief that the agreement was valid;
(3) The basis for the counterclaimant's belief that the agreement was violated;

- (4) The basis for the counterclaimant's belief that the agreement could affect the relief that might be awarded to the claimant;
 - (5) A description of the counterclaimant's performance under the agreement, as relevant to the counterclaim;
 - (6) Identification and a description of any inadequacies in performance under the agreement by the counterclaim respondent; and
 - (7) If the agreement at issue in the counterclaim is oral, a description of the terms and provisions of the agreement.
- (g) *For a counterclaim respondent responding to a counterclaim arising under an agreement.* In addition to the information in paragraph (a) of this section, the *standard interrogatories* for a counterclaim respondent responding to a counterclaim arising under an agreement shall consist of information pertaining to:
- (1) All defenses asserted to the counterclaim arising under an agreement and the basis for those assertions. Defenses listed in timely answers and timely updated answers to the *standard interrogatories* shall be considered by the Board and will not require an amendment of the counterclaim response;
 - (2) The basis for any other reasons the counterclaim respondent believes that it did not violate the agreement or that the agreement was not valid;
 - (3) The basis for any belief by the counterclaim respondent that the agreement does not affect the relief that might be awarded to the claimant;
 - (4) A description of the counterclaim respondent's performance under the agreement, as relevant to the counterclaim; and
 - (5) Identification and a description of any inadequacies in performance under the agreement by the counterclaimant.

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6. Amend § 225.3 as follows:

a. Redesignate paragraphs (f) and (g) as paragraph (h) and (i), respectively.

b. Add paragraphs (f) and (g), as follows:

§ 225.3 Standard requests for the production of documents.

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(f) *For a counterclaimant asserting a counterclaim arising under an agreement.* In addition to the information in paragraph (a) of this section, the *standard requests for the production of documents* for a party asserting a counterclaim arising under an agreement shall include copies of:

(1) The agreement at issue in the counterclaim arising under an agreement, including any amendments or revisions;

(2) Documents related to the agreement at issue, including any amendments or revisions and documents related to the validity of and the parties' performance under the agreement; and

(3) Documents relevant to damages arising out of the counterclaim, including documents sufficient to show the damages suffered by the counterclaimant related to violation of the agreement in question.

(g) *For a counterclaim respondent responding to a counterclaim arising under an agreement.* In addition to the information in paragraph (a) of this section, the *standard requests for the production of documents* for a counterclaim respondent responding to a counterclaim arising under an agreement shall include copies of:

(1) The agreement at issue in the counterclaim arising under an agreement, including any amendments or revisions;

(2) Documents related to the agreement at issue, including any amendments or revisions and documents related to the validity of and the parties' performance under the agreement; and

(3) Documents relevant to damages, including documents sufficient to show the lack of damages suffered by the counterclaimant related to the counterclaim respondent's alleged violation of the agreement in question.

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Dated: July 19, 2023.

Shira Perlmutter,

Register of Copyrights and

Director of the U.S. Copyright Office.

Approved by:

Carla D. Hayden,

Librarian of Congress.

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